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USDA Dairy Price-Support Summaries For Calendar 1964

Even though price-support purchases of butter and nonfat dry milk were smaller in calendar year 1964 than in 1963, the dairy surplus continues heavy. Substantially increased exports of both products from commercial supplies under the payment-in-kind program largely offset the reduced purchasing, the U. S. Department of Agriculture reported in its summary of calendar year 1964 and December dairy price-support activity.

The total of support purchases on a delivery basis plus exports under the payment-in-kind program totaled 331.7 million pounds of butter in 1964. However, sales of 36 million pounds from CCC stocks for domestic un-

restricted use in late 1964 brought the combined net total removed from the domestic market down to 295.7 million pounds. (These sales were made at prices above the support purchase price.) This net total compares to price-support purchases of 308 million pounds in 1963, including a small quantity of payment-in-kind exports.

Combined nonfat dry milk price-support purchases and exports under the payment-in-kind program of 1,168.9 million pounds in 1964 were smaller than previous year total of 1,220.3 million pounds.

Under the payment-in-kind program, export quantities come from commercial supplies. Export pay-

ments are made in the form of negotiable export payment certificates which eventually are redeemed in commodities offered for export sale from CCC inventory.)

Support purchases of cheese (which is not included in the payment-in-kind export program) amounted to 129.3 million pounds in 1964, compared to 113.1 million pounds in 1963.

Price-support stocks of dairy products continued to decrease during 1964 and at the end of the year were the smallest in four years. This reduction reflects the reduced purchasing and continued heavy movement into outlets such as school lunch and welfare programs, and export sales.

Feed Grain Exports Continue Near Record

The Feed Situation, Economic Research Service USDA, January 1965

Exports of feed grains, which have been trending upward in recent years, continued at a near-record pace in the first quarter of 1964-65, totaling 5.4 million tons, only slightly below the alltime high of 5.6 million tons in that quarter of 1963. Exports of corn and sorghum grain were slightly below the high level a year earlier, while barley exports were a little larger. Exports dropped sharply in January as a result of the Gulf and Eastern shore dock strike.

The effect of the dock strike can-

not be fully appraised at this time. Much of the loss of exports, however, is expected to be made up after its termination and feed grain exports for 1964-65 marketing year are expected to about equal the 1963-64 total of nearly 19 million tons. Exports of corn in 1964-65 are expected to be about the same as the record movement of about 500 million bushels in 1963-64. Sorghum grain exports for the 1964-65 marketing year are expected to be near the average of about 110 million

bushels during the past 2 years. Exports of barley and oats have declined during the past 5 years with declining production. Exports of barley during July-December 1964 totaled 32 million bushels, or a little larger than in the same period of 1963-64. For the entire marketing year, exports are expected to total near the 70-million-bushel level of the 2 preceding years. Exports of oats declined to 6 million bushels in 1963-64 and probably will be about the same in 1964-65.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Class IV (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Butterfat in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Butterfat in Class II	.....
Percent of Producer Milk in Class III	.....
Percent of Producer Butterfat in Class III	.....
Percent of Producer Milk in Class IV	.....
Percent of Producer Butterfat in Class IV	.....

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	.....
Average Daily Class I Producer Milk	.....
Total Number of Producers	.....
Average Daily Receipts per Producer	.....
Average Butterfat Test	.....
Total Value of Producers Milk at Test	.....
Income per Producer (7 day average)	.....

GROSS CLASS USE (Pounds)

Class I Skim	.....
Class I Butterfat	.....
Class I Milk	.....
Class II Skim	.....
Class II Butterfat	.....
Class II Milk	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

Jan. 1965	Dec. 1964	Jan. 1964
\$4.51	\$4.76	\$4.28
4.92	4.92	4.55
3.13	3.18	4.12
—	—	3.76
—	—	3.08
8.0¢	8.1¢	7.5¢
79.6	82.2	78.9
72.5	76.1	70.9
20.4	17.8	6.8
27.5	23.9	1.7
—	—	1.8
—	—	2.4
—	—	12.5
—	—	25.0
46,850,062	45,414,336	40,235,178
1,511,292	1,464,978	1,297,909
1,679	1,672	1,357
900	876	956
3.88	3.94	3.93
\$2,255,626	\$2,238,649	\$1,850,427
\$303	\$302	\$307
35,960,669	36,488,875	30,610,428
1,318,795	1,381,194	1,121,165
37,279,464	37,870,069	31,731,593
9,071,439	8,879,676	2,704,557
499,157	433,909	27,299
9,570,596	9,313,580	2,731,856
442,644	442,814	342,935
5,731	5,525	4,352
29,948	26,424	17,134
14,565	13,702	12,266
9,668	11,039	8,226

Area Extended Effective May 1, 1964

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



JAN., 1956 - '65

Year	Receipts From Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class Prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1956	24,586,227	3.94	77.8	8.1	6.4	7.7	3.94	4.125	3.725	3.725	3.142	2,085	380
1957	23,716,076	3.90	86.0	7.6	3.1	3.3	4.46	4.554	4.154	4.054	3.067	1,936	395
1958	25,086,958	3.86	84.9	7.3	2.9	4.9	4.28	4.411	4.011	3.911	3.088	1,857	436
1959	24,104,575	3.94	83.2	7.5	1.6	4.2	4.34	4.442	4.042	3.942	2.867	1,705	456
1960	28,244,823	3.96	86.7	6.3	2.1	8.4	4.46	4.685	4.285	3.777	2.996	1,696	537
1961	29,526,971	3.92	81.1	6.7	1.7	10.5	4.49	4.74	4.34	4.017	3.096	1,497	636
1962	33,597,270	3.97	79.3	6.3	1.9	12.5	4.30	4.517	4.117	3.892	3.266	1,329	815
1963	35,845,288	3.97	77.7	6.6	2.2	13.5	4.00	4.22	3.797	3.651	3.051	1,329	870
1964	40,235,178	3.93	78.9	6.8	1.8	12.5	4.28	4.55	4.12	3.76	3.08	1,357	956
1965	46,850,062	3.88	79.6	20.4	—	—	4.51	4.92	3.13	—	—	1,679	900

Excess Dairy Stocks Worked Down

The Dairy Situation, Economic Research Service-USDA, January 1965

Stocks of all dairy products at the beginning of October were sharply below a year earlier. These stocks include commercial stocks of manufactured dairy products and cream plus reported Government holdings of butter, butteroil, cheese, and nonfat dry milk. The drop compared with a year ago resulted from the heavy movement of butteroil out of Government holdings and export sales of butter from CCC stocks and through the PIK Program. Stocks of dairy products are expected to decline further and may total about 2.5 billion pounds (milk equivalent, fat-solids basis) at the end of 1964; they were 10.4 billion a year earlier. Ending stocks in 1965, are likely to be about the same as this year, as domestic disappearance and exports are expected to be closely in line with production and imports.

Total stocks of nonfat dry milk were about 404 million pounds on September 1, compared with 822 million a year earlier. These are stocks held by manufacturers and the Government — they do not include stocks in wholesaler, jobber, and other hands. Year-end stocks are expected to be about 200 million pounds, less than one-third of last year's 636 million. The decline has been entirely in Government holdings.

Government inventories are held chiefly by USDA, but the armed serv-

ices and other agencies also hold small amounts. Butteroil and nonfat dry milk quantities in Government hands are based on records of operating agencies. These supplies represent quantities to which CCC has acquired title (or, in the case of butter has contracted to convert to butteroil) less quantities delivered to buyers and other recipients. Storage holdings differ from USDA uncommitted stocks in that the latter represents contracts to purchase under the Government support program less commitments for sale or donation.

By the end of 1964, commercial stocks likely will drop seasonally to about 4 billion pounds (milk equivalent) — near those of a year earlier. Year-to-year changes in commercial stocks are small relative to those of all stocks. Therefore, ending commercial stocks in 1965 will be near this year's level. Commercial stocks of evaporated milk, dry whole milk, and cheese other than American, have risen in 1964, while stocks of butter, American cheese and condensed milk have dropped moderately.

During the postwar period, Government stocks of dairy products have fluctuated widely in response to changes in the dairy support program, commercial demand, production, and utilization of Government-owned dairy products. On the other

hand, commercial stocks have been relatively stable. Since 1949, year-end Government stocks of butter have varied from a high of 344 million pounds in 1954 to 175 million pounds in 1963. Stocks will be well below 100 million pounds at the end of 1964.

Government stocks of American cheese jumped to 357 million pounds at the end of 1954 but declined sharply in the next 2 years, as use in domestic and foreign programs exceeded acquisitions. Stocks at the end of 1960 were about 1/2 million pounds, then gained sharply to 77 million pounds at the end of 1962; they have since declined and may be only about 10 million pounds at the end of this year.

Nonfat dry milk stocks are the quantities recorded in CCC financial records as those to which CCC has acquired title, less quantities delivered to buyers and other recipients. Stocks dropped from 466 million pounds at the end of 1953 to 60 million pounds at the end of 1959, and then rose to 662 million pounds at the end of 1962. During 1963 and 1964, utilization has sharply exceeded acquisitions. By the end of 1964 commitments of nonfat dry milk will have reduced USDA stocks to near the 1959 level of 60 million pounds. CCC stocks of nonfat dry milk during 1965, are likely to continue low.

Small Reduction In Grain Consuming Animal Units In Prospect

The number of grain-consuming livestock to be fed in 1964-65 is expected to total about 167 million animal units, about 3 million below a year earlier and about 6 million below the postwar high in 1962-63. Much of the decline results from smaller pig crops this year, along with prospects for a smaller 1965 spring pig crop. The number of hogs to be fed in 1964-65 in terms of animal units is expected to be about 6 percent below the year before.

Cattle feeding has leveled off during the past 2 years, following a 40 percent increase during the 5 years from 1958 to 1962. Lower cattle prices in relation to feed prices were apparently of price importance in the leveling off of the upward trend in feeding. Relatively high feed prices may have also resulted in a reduction in the quantity of grain fed per steer.

The number of milk cows on farms has been declining at an average rate of 3 percent per year during the past 10 years and is expected to decline further in 1964-65. The decline, however, has been more than offset by an increase in the quantity of feed fed per cow, which reached a record level in 1963-64, 27 percent higher than 5 years ago.

Feed Concentrate Supply Down 14 Million Tons

The Feed Situation, Economic Research Service USDA, January 1965

The total supply of all feed concentrates for 1964-65 is now estimated at 239 million tons, 14 million tons less than in 1963-64 and the smallest since 1958. The smaller supply this year is due entirely to smaller feed grain production, estimated in December at 137 million tons, nearly 20 million tons below the record 1963 crop. The smaller production much more than offset a 5-million-ton increase in feed grain carry-over into this marketing year and small increases in prospect for by-product feeds and wheat feeding.

Consumption of all feed concentrates by livestock has declined slightly since 1961-62, and another small reduction is in prospect for 1964-65. The number of grain-consuming ani-

mal units to be fed in 1964-65 is now estimated at 167 million, about 3 million less than in 1963-64. The rate of feeding reached a record high of 0.90 ton per animal unit in 1960-61 and 1961-62, then dropped 1 or 2 percent in the 2 following years. Assuming the feeding rate in 1964-65 will be about the same as the 0.89 ton per animal unit in 1963-64, 149 million tons of grain and other concentrates would be fed, 2 million less than in 1963-64. Allowing for a slight increase in the quantity of feed grains used for other domestic uses and the same quantity exported as in 1963-64, utilization of all feed concentrates would be about 182 million tons, slightly less than in the last 3 years, but 6 million tons above the 1958-62 average.

Market Quotations

JANUARY
1965

MINNESOTA - WISCONSIN PRICE SERIES	\$3.25
MIDWEST CONDENSERIES 3.5% per Cwt.	3.232
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.130
Average Price per lb. 92-score butter at Chicago	.5800
Average carlot prices non-fat dry milk solids	
roller and spray process, f.o.b. manufacturing plant	.1423

THE Market Administrator's BULLETIN

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